

Application for United States Letters Patent

For

**SYSTEM AND METHOD FOR
PROVIDING ADDITIONAL INSURANCE**

Inventor:

Lawrence M. Sherman
Sherman's Way
Westport, CT 06880

Citizen of U.S.A.

Express Mail Label No. EF371227377US
Date of Deposit: February 9, 2001

SYSTEM AND METHOD FOR PROVIDING ADDITIONAL INSURANCE

Claim of Priority to Prior Application

This application claims priority under 35 U.S.C. § 119(e) to United States
10 provisional patent application Serial No. 60/181,653, filed on February 10, 2000,
incorporated herein by reference.

Field of the Invention

The invention generally relates to a system and method providing additional
15 insurance to an insured party to increase a total benefit amount of insurance. More
particularly, the invention provides a computer system and method providing additional
insurance to an insured party based upon underwriting performed to assess the eligibility
of the insured party for existing or underlying insurance.

20

Background of the Invention

Prior art methods providing insurance for a variety of risks and liabilities often
demonstrate the prescript: high benefit limits command high insurance premiums.
Consumers often select insurance benefit limits based upon the amount of coverage
consumers can afford rather than the amount of coverage consumers require to
25 adequately cover their exposure to particular liabilities and risks. Insurance premiums
generally include the benefit expenses incurred by insurance providers and administrative
costs to issue insurance coverage. However, a substantial portion of insurance premiums
includes the underwriting costs associated with assessing eligibility of consumers, as well
as marketing costs to sell insurance to consumers.

30

Consumers who wish to obtain additional insurance to increase the limits of
existing insurance, or to increase the total benefit of insurance, from a new provider
would be subject to new and additional underwriting and a new medical evaluation,
which is inconvenient to consumers and often causes great concern in consumers with
respect to passing another medical evaluation. Consumers who seek additional insurance
35 from their present insurance providers would be required to pay a current market
premium. Consumers usually cannot take advantage of the previous underwriting

5 process and, in cases of life insurance, the previous medical evaluation performed to
assess their eligibility. Insurance providers generally do not offer additional insurance to
their insured parties for reduced premiums, although further underwriting may not be
required. Insurance providers may offer additional insurance coverage for reduced
premiums only to a highly select base of insured parties who have previously purchased
10 fully-underwritten insurance coverage within a specified period of time. Such offers
typically provide only limited coverage based upon the amount of insurance in force and
are available for a limited time only.

In addition, insurance providers typically do not rely upon the underwriting of
other insurance providers to issue new insurance coverage. For example, insurance
15 providers have offered to convert another insurance provider's term life insurance
coverage to whole or permanent life insurance. To avoid anti-selection in such cases,
insurance providers require termination of the term life insurance to avoid the total
immediate amount of coverage to be increased as a result of such a transaction.

Consumers who wish to obtain additional insurance to increase their benefit limits
20 must undergo new and additional underwriting, a new medical evaluation, and pay
current market premiums for additional insurance. Therefore, it is desirable to provide a
system and method providing additional insurance which is easily-obtainable and
affordable to an insured in order for the insured to increase a total benefit of insurance.

25 Summary of the Invention

The invention provides a method for providing additional insurance to a fully-
qualified insured party to increase a total benefit of insurance to the insured party
comprising receiving information from a prospective fully-qualified insured party,
wherein the information obtained includes information concerning a primary insurer of
30 the prospective insured party and information concerning a primary life insurance plan
issued by the primary insurer to the prospective insured party. The method of the
invention further comprises formulating an offer to the prospective insured party for a
secondary insurance plan based upon the information concerning the primary insurer and
the primary life insurance plan issued, and issuing the secondary life insurance plan to the
35 prospective insured upon acceptance of the offer.

5 The invention also includes a computer system for providing additional life insurance to a fully-qualified insured party. In one embodiment of the invention, additional life insurance is provided through a network of insurance brokers, agents and service providers and approved underwriting primary insurers included within the additional insurance network. An insurable party obtains a primary life insurance plan through, for example, an insurance broker of the network by methods well known in the art, wherein the insurable party initially provides underwriting information to the insurance broker who furnishes the underwriting information to an underwriting primary insurer. The primary insurer conducts the full underwriting and medical evaluation of the insurable party to assess the eligibility of the insured party for the primary life insurance plan. If the primary insurer is approved for inclusion by the additional insurance network, upon issuance of the underwriting approval and the primary life insurance plan by the primary insurer, the insurance broker may make an offer to the insured party for additional life insurance as a secondary life insurance plan. The benefit amount and type of the primary life insurance plan for which the insured party is eligible provides a guideline to the insurance broker to determine the benefit amount and type of the secondary life insurance plan to be offered to the insured party. Without additional underwriting and medical evaluation, the broker may immediately offer additional life insurance to the insured party upon issuance of the primary life insurance plan.

In other embodiments of the invention, the information required by the additional life insurance network to provide a secondary life insurance plan may be provided by prospective insurable parties to the multiple of insurance brokers, agents and service providers or the computer system of the invention through the internet from remote computers and other internet access devices well known in the art.

In another embodiment of the invention, additional life insurance is provided to a fully-qualified insured party through a multi-user global communication and information network, a.k.a. the internet, a multiple of insurance brokers, agents and service providers, at least one database module for compiling and storing information regarding underwriting approval for primary life insurance, as well as other information provided upon issuance of primary life insurance to prospective insured parties, and a multiple of web sites, which provide access to the database module and communication between the

5 multiple of insurance brokers, agents and service providers, the database module, and prospective insured parties through the multi-user global information and communication network, or the internet.

Brief Description of the Drawings

10 For a better understanding of the invention, reference is made to the drawings which are incorporated herein by reference and in which:

Fig. 1 is a hardware block diagram illustrating the operation of a computer system for providing additional insurance in accordance with a first embodiment of the invention.

15 Fig. 2 is a flow diagram of a first aspect of a first embodiment system illustrating the flow and organization of information to form and issue additional insurance.

Fig. 3 is a flow diagram of the first aspect of the first embodiment of the invention.

Fig. 4 is a flow diagram of a second embodiment of the invention.

20 Fig. 5 is a flow diagram of a third embodiment of the invention.

Detailed Description of the Invention

Illustrative embodiments of the invention described herein provide a system and method for providing low-cost, easily-obtainable additional insurance to increase a total
25 benefit amount of insurance to an insured. More particularly, the invention provides a computer system and method for providing additional insurance to an insured based upon the underwriting and evaluation performed to assess the eligibility of the insured for existing or underlying insurance. In embodiments of the invention, additional insurance is provided by the computer system and method of the invention to a fully-qualified
30 insured without requiring further underwriting and evaluation and, therefore, without incurring additional underwriting and medical evaluation costs. The computer system and method of the invention may provide any kind of additional insurance, such as, although not limited to, additional life insurance, additional accident insurance and additional disability insurance, based upon existing or underlying insurance of the same kind held
35 by the insured. Although the computer system and method of the invention may provide

5 any kind of additional insurance, for purposes of illustrating embodiments of the invention, the computer system and method will be described with respect to providing additional life insurance to an insured to increase the total benefit amount of life insurance to the insured.

Embodiments of the invention will be described with reference to Figs. 1-5 which
10 are presented for the purpose of illustrating embodiments and are not intended to limit the scope of the claims, wherein like parts are designated by like reference numerals throughout. As used herein, the term "primary insurer" refers to an insurance company, an insurance provider, or an insurance underwriter who performs an underwriting process and evaluation to assess the eligibility of a potential insured. The terms "primary
15 insurance", "primary plan" and "primary insurance plan" refer to an in-force existing or underlying insurance plan underwritten and issued by a primary insurer to an insured. The term "second insurance", "secondary plan" and "secondary insurance plan" refer to an additional insurance plan provided to the insured party of the primary insurance or primary insurance plan.

20 Referring to Fig. 1, a hardware block diagram illustrates a first embodiment of the invention of a computer system for providing additional life insurance in accordance with a first embodiment of the invention comprising a typical computer workstation 10 containing a central processing unit (CPU) 20, an input device, such as a keyboard 40 or mouse, an output device such as computer monitor screen 60, a printer 50, and one or
25 more storage devices 70. A typical workstation is a personal computer, such as a Dell personal computer, with an Intel Pentium microprocessor. The system may be coupled to a Local Area Network 80 (LAN) or other communication channels for receiving and transmitting information to and from potential and existing insured parties, and to provide access to data stored in outside storage devices 90. In addition, the computer system may
30 be coupled to an intranet or the internet 92 to allow prospective insured parties to inquire about and/or to subscribe to additional life insurance or secondary life insurance plans through the internet 92 from remote computers and other internet access devices 94 well known in the art.

Referring to Fig. 2, a flow diagram illustrates a first aspect of a first embodiment
35 of the invention providing additional insurance, and particularly illustrates the flow and

5 organization of information to form and issue additional life insurance as a secondary life insurance plan to increase a total benefit amount of life insurance to a fully-qualified insured party. According to the first aspect of the first embodiment of the invention, additional life insurance is provided through a network 110 of a multiple of insurance brokers, insurance agents and service providers 115, who generally provide life insurance products to consumers, and a multiple of primary insurers 120, who underwrite and issue life insurance. Each of the multiple of primary insurers 120 is approved for inclusion within the additional insurance network 110, as described herein. The multiple of insurance brokers, insurance agents and service providers 115 are uniquely placed in the insurance market as sellers and distributors of insurance, wherein insurance brokers, agents and service providers 115 can readily offer and sell additional life insurance to fully-qualified insured parties in order to increase the insured parties' total benefit amount of life insurance. Service providers 115 may include, for example, providers of financial investment services or banking services, who underwrite and/or broker life insurance products. However, it is understood service providers 115 may include other companies and entities providing consumer services.

The additional insurance network 110 provides an offer for additional life insurance to an insured party 130 after at least one underlying or primary life insurance plan 140 identifying the insured party 130 is issued by an approved primary insurer 120a. Upon acceptance of the offer for additional life insurance, the additional insurance network 110 issues a secondary life insurance plan 145 based upon the underlying primary life insurance plan 130, thereby increasing the total benefit amount of life insurance held by the insured party 130.

The additional insurance network 110 relies upon issuance of the primary life insurance plan 140 to determine if the offer for the secondary life insurance plan 145 should be extended to the insured party 130. If a primary life insurance plan 140 is issued to an insured party 130 by a primary insurer 120a, approved by and included within the additional insurance network 110, an insurance broker, agent or other service provider 115 recognizes that the insured party 130 is an insurable risk for additional life insurance and may automatically extend an offer for such additional life insurance as a secondary life insurance plan 145. Insurance brokers, agents, and service providers 115

5 of the additional insurance network **110** essentially rely upon the underwriting and medical evaluation performed by the primary insurer **120a** to assess the eligibility of the insured party **130** for the primary life insurance plan **140**. Insurance brokers, agents, and service providers **115** typically receive an underwriting approval **150** from the primary insurer **120a**, indicating the insured party **130** is approved for a particular kind of life insurance with a specific benefit limit as well as other specified terms and conditions. The primary plan **140** is typically issued by the primary insurer **120a** and distributed by insurance brokers, agents and service providers **115** to the insured party **130**. Issuance of the primary life insurance plan **140** indicates to the insurance brokers, agents and service providers **115** of the additional insurance network **110** that the insured party **130** meets specific underwriting eligibility requirements of the primary insurer **120a** and, therefore, is an insurable risk for the secondary life insurance plan **145**. The secondary life insurance plan **145**, in effect, "piggy-backs" the underwriting approval **150** of the primary life insurance plan **140**. Based upon previous underwriting and evaluation, the fully-qualified insured parties **130** represent a select class of risk to whom secondary life insurance **145** may be offered by the additional insurance network **110**.

In other embodiments of the invention, the additional insurance network **110** may obtain underwriting information from insured parties and provide primary and secondary life insurance plans **140** and **145** by receiving and transmitting information from insured parties through the internet, as illustrated in Fig. 1, wherein the network of insurance brokers, agents and service providers and primary insurers are accessed by and communicate with potential insured parties from remote computers **92** and internet access devices **94**.

By relying upon the underwriting and medical evaluation of the primary insurer **120a** issuing the primary life insurance plan **140**, the additional insurance network **110** does not incur substantial underwriting and medical evaluation costs or other costs typically associated with assessing eligibility and certifying the health of the insured party **130**. The secondary life insurance plan **145** is, therefore, issued by the additional insurance network **110** at substantially lower costs. Costs to insurance brokers, agents and service providers **115** may be limited to the administrative costs associated with issuing the secondary life insurance plan **145**. Therefore, the substantial marketing, and

5 underwriting and medical evaluation costs associated with issuing a life insurance plan
are avoided by the additional insurance network **110** by relying upon the underwriting
approval **150** provided to issue the primary life insurance plan **140**. The additional
insurance network **110** may pass on the lower costs to the insured party **130** as discounted
premiums for secondary life insurance **145**. Thus, an insured party **130** of a primary life
10 insurance plan **140** can substantially increase the total benefit amount of their life
insurance with payment of an additional discounted premium.

For example, a primary life insurance plan **140** may be issued to an insured party
130 having a total benefit limit of \$1,000,000 at a premium rate of, for example, \$100 per
\$100,000. The additional insurance network **110** may offer the insured party **130**
15 additional life insurance as a secondary life insurance plan **145** with a benefit limit of
\$500,000 to increase the total benefit amount held by the insured party **130**. Since the
insured party **130** has been previously underwritten and evaluated for the benefit limit of
\$1,000,000, the additional insurance network **110** may rely upon issuance of the primary
life insurance plan **140** to offer the secondary life insurance plan **145** and pass on the
20 lower costs to issue the secondary life insurance plan **145** as a discounted premium rate
of, for example, \$50.00 per \$100,000. Thus, the insured party **130** can substantially
increase the benefit limit of life insurance by 50% for a substantially discounted
premium.

The additional insurance network **110** relies upon the issuance of primary life
25 insurance plans **140** by primary insurers **120** whose underwriting standards and
guidelines satisfy minimum acceptable criteria for inclusion in the additional insurance
network **110**. Since the primary insurers **120** issuing primary life insurance are relied
upon by the additional insurance network **110** to assess the risk and eligibility of insured
partys **130**, only primary insurers **120** who employ underwriting and medical evaluation
30 methods acceptable to the additional insurance network **110** may be relied upon by
member brokers, agents and service providers **115** to determine to whom secondary life
insurance should be offered.

The insurance brokers, agents and service providers **115** comprising the additional
insurance network **110** are members or affiliates of the additional insurance network **110**
35 subject to minimum eligibility requirements identified by the additional insurance

5 network **110**. The eligibility requirements for insurance brokers, agents and service providers **115** for participation in the additional insurance network **110** may include, for example, acceptable practices to provide primary and secondary life insurance **140** and **145**, claims adjustment methods and capabilities, etc., as well as marketing and selling capabilities and capacities.

10 Referring to Figs. 2 and 3, the first aspect of the first embodiment of the invention provides additional life insurance through the traditional channels of insurance brokers, agents and service providers **115** and approved underwriting primary insurers **120** of the additional insurance network **110**. As shown in the flow diagram of Fig. 2, the insured party **130** obtains a primary life insurance plan **140** through, for example, an insurance
15 broker **115** by methods well known in the art, wherein the insured party **130** initially provides underwriting information **132** to the insurance broker **115** who furnishes the underwriting information **132** to an underwriting primary insurer **120a**. The primary insurer **120a** conducts the full underwriting and medical evaluation of the insured party **130** to assess the eligibility of the insured party **130** for the primary life insurance plan
20 **140**. If the primary insurer **120a** is approved for inclusion by the additional insurance network **110**, upon issuance of the underwriting approval **150** and the primary life insurance plan **140** by the primary insurer **120a**, the insurance broker **115** may make an offer **180** to the insured party **130** for additional life insurance as a secondary life insurance plan **145**. The benefit amount and type of the primary life insurance plan **140**
25 for which the insured party **130** is eligible provides a guideline to the insurance broker **115** to determine the benefit amount and type of the secondary life insurance **145** plan to be offered to the insured party **130**. Without additional underwriting and medical evaluation, the broker **115** may immediately offer additional life insurance to the insured party **130** upon issuance of the primary life insurance plan **140**.

30 Because the additional insurance network **110** relies upon the underwriting and medical evaluation performed by the primary insurer **120a** to issue the primary life insurance plan **140**, the secondary life insurance plan **145** is issued to the insured party **130** prior to any event or change that may substantially effect the eligibility of the insured party **130** since the primary life insurance plan **140** was issued. The insured party **130**

5 may no longer represent a risk equivalent to the original and fully underwritten risk of the primary life insurance plan **140**.

Thus, risk reduction procedures to avoid or at least to substantially minimize any additional risk **150** assumed above the risk for which the primary life insurance plan **140** was written may be used by brokers, agents and service providers **115**. A risk reduction
10 procedure **155** may include, for example, a minimum underwriting process conducted by member brokers, agents and services providers **115** of the additional insurance network **110**, wherein the insured party **130** is required to complete an application including, for example, one or more anti-selection questions and a statement of good health. Alternatively, the insured party **130** may be asked to provide information concerning
15 other insurance coverage the insured party **130** holds or other insurance coverage the insured party **130** has applied for to determine if a pattern of abuse exists. In addition, the insured party **130** may be required to respond to health-related questions relevant to specific health issues.

As another risk reduction procedure **155** to avoid or at least to substantially
20 minimize any risk **150** assumed by the additional insurance network **110**, the secondary life insurance plans **145** may only be offered to insured parties **130** who hold a primary life insurance plan **140** of some minimum benefit amount. Because the underwriting and medical evaluation requirements generally increase with high benefit amounts and large-sized plans, a minimum benefit amount of primary life insurance may be established by
25 the additional insurance network **110** which is sufficiently high to reflect a particular level of underwriting and medical evaluation performed by the primary insurer **120a**. Insurance brokers, agents and service providers **115**, therefore, may be limited to offer additional life insurance only to those insured parties **130** holding primary life insurance plans **140** of a minimum benefit amount.

30 Another risk reduction procedure **155** which may be employed by the additional insurance network **110** would require the secondary life insurance plans **145** be issued and premiums paid by the insured parties **130** within a specified period of time. Issuance and payment of the premium for the secondary life insurance plan **145** would prevent and substantially reduce the risk exposure of the additional insurance network **110** to any
35 unforeseen changes or events that substantially and directly effect the eligibility of the

5 insured party 130. This risk reduction procedure 155 may also include a certification requirement, wherein the insured parties 130 provide a certification upon payment of premiums for the secondary life insurance plans 145 to state no changes or events have occurred to substantially alter the eligibility of the insured parties 130.

10 With respect to claims adjustment and distribution of benefit obligations under the secondary life insurance plan 145, the brokers, agents and service providers 115 of the additional insurance network 110 may link claims adjustment and benefit payments to the extent of claims adjustment and benefit payments demonstrated by primary insurers 120 issuing primary life insurance plans 140. As shown in Fig. 2, a benefit obligation or payment 160 would be made according to the secondary life insurance plan 145 to the
15 extent benefits are paid by the primary insurer 120 of the primary life insurance plan 140. If the primary life insurance plan 140 pays a benefit obligation 165, then the additional insurance network 110 would pay the benefit obligation 160 under the secondary life insurance plan 145. In this respect, the secondary life insurance plan 145 "piggy backs" the benefit obligation 165 of the primary life insurance plan 140 in order to reduce the
20 costs of claims adjustment and distribution of the benefit obligation 160. However, this benefit payment strategy would be dependent upon whether the primary life insurance plan 140 is in force during the term of the secondary life insurance plan 145. In the event the primary life insurance plan 140 has expired or terminated 170 during the term of the secondary life insurance plan 145, the member brokers, agents and service providers 115
25 may process the claim and distribute the benefit obligation 160 according to methods well known in the art. Alternatively, the insurance brokers, agents and service providers 115 may rely upon distribution of a benefit obligation by another primary insurer underwriting other insurance plans held by the insured party 130 to limit the extent of claims adjustment and payment of benefit obligations conducted by member brokers,
30 agents and service providers 115.

As described above, the secondary life insurance plan 145 is issued by the additional insurance network 110 at low costs to member brokers and agents and service providers 115. The additional insurance network 110 significantly reduces the efforts required and the costs incurred by members to issue the secondary life insurance plan
35 145. Costs to members for providing secondary life insurance 145 are substantially

5 variable rather than fixed expenses. Members **115** would only begin to incur expenses when transactions for secondary life insurance **145** are completed and secondary life insurance plans **145** issued. The bulk of expenses for members **115** of the additional insurance network **110** would occur in the future in the form of benefit obligations **160**, which are very low or negative present value expenses.

10 Additional costs savings are also realized by members **115** of the additional insurance network **110** due to a substantial reduction in marketing costs to sell additional life insurance, since offers for secondary life insurance **145** can be made immediately upon issuance of primary life insurance **140** to insured parties **130** and do not require further solicitation of insured parties **130**. Many costs associated with underwriting and
15 marketing life insurance plans which do not materialize into issued life insurance plans would be eliminated by the additional insurance network **110**.

In addition to distribution of benefit obligations in the future, actual costs to members **115**, other than administrative costs to issue secondary life insurance, include the actual costs to purchase the additional or secondary life insurance. If secondary life
20 insurance **145** is managed internally by the additional insurance network **110**, actual costs to members **115** would only include the future benefit obligations **160** of secondary life insurance **145**.

Primary insurers **120** participating in the additional insurance network **110** providing primary life insurance **140** may be motivated to become members of the
25 additional insurance network **110** to remain competitive in their markets. Primary insurers **120** may initially sell primary life insurance **140** according to their established marketing strategies, offering primary life insurance **140** at current market value premiums. Upon issuance of primary life insurance **140**, primary insurers **120** may subsequently offer additional life insurance at a discounted premium. Primary insurers
30 **120** would earn additional revenue without incurring additional costs to provide secondary life insurance **145** and can pass on costs savings to insured parties **130** holding primary life insurance **140**. Secondary life insurance **145** may serve as a customer retention tool. Insured parties **130** would be inclined to maintain their primary life insurance **140** with primary insurers **120** participating in the additional insurance network

5 **110** if benefit obligations **160** under secondary life insurance **145** were subject to renewal of primary life insurance **140**.

 A feature and advantage of the additional insurance network **110** is the opportunity member insurance brokers, agents and service providers **115** have to select from the group of underwriting primary insurers **120** approved by and included within the
10 additional insurance network **110**. Members **115** may choose a particular primary insurer **120a** based upon their reputation and their underwriting methods to issue primary life insurance **140**. Therefore, members **115** may offer secondary life insurance **145** only to those insured parties **130** who hold primary life insurance **140** issued by approved primary insurers **120** of their choice.

15 Referring to Fig. 4, a second embodiment of the invention provides additional life insurance to a fully-qualified insured party through a network of a multiple of insurance brokers, agents and service providers **115** and a multiple of insurance providers and underwriters, referred to collectively herein as participating primary insurers **121**. Participating primary insurers **121** underwrite and issue primary life insurance **140** and
20 are included as members within the additional insurance network **110**. The inclusion of the participating primary insurers **121** members provides opportunities for the participating primary insurers **121** to share underwriting information to remain competitive and to meet needs of insured parties **130**. Participating primary insurers **121** who cannot competitively provide a particular life insurance product may wish to share
25 their underwriting information through the additional insurance network **110** with another participating primary insurers **121** who can competitively provide the life insurance product. Member brokers, agents and service providers **115** would rely upon the sharing of underwriting information between participating primary insurers **121** to select competitive secondary life insurance **145** provided by participating primary insurers **121**,
30 thereby fulfilling the needs of insured parties **130** with a competitive product and retaining the insured parties **130** of the participating primary insurers **121** as clients within the additional insurance network **110**.

 For example, Insurer X may provide a variable life insurance plan as primary life insurance **140** to Insured party A who also requires term life insurance to cover
35 temporary insurance needs. However, Insurer X does not provide term life insurance at

5 competitive premiums. Rather than Insurer X losing A entirely as a potential customer for term life insurance, Insurer X may share its underwriting information through the additional insurance network **110** with other participating primary insurers **121** who can provide term life insurance at competitive premiums. Insurer Y, also a participating primary insurer **121** of the additional insurance network **110**, provides term life insurance
10 at competitive premiums. Insurer Y may issue through the additional insurance network **110** term life insurance to A as a secondary life insurance plan **145**. As a result of Insurer X sharing its underwriting information with Insurer Y, Insurer Y can substantially reduce its underwriting costs and pass the costs savings on to A as a discounted premium. Insurer X may receive a fee from Insurer Y for sharing its underwriting information with
15 the additional insurance network **110**. Term life insurance would be issued by Insurer Y to A and provided as a secondary life insurance plan **145** and distributed by member brokers, agents and service providers **115** of the additional insurance network **110**, as described above. In addition, member brokers, agents and service providers **115** may choose either Insurer Y or some other participating primary insurer **121** included in the
20 additional insurance network **110** to provide competitive life insurance products to insured parties **130**.

In other embodiments, the network of insurance brokers, agents and service providers and participating primary insurers may be accessed and communication with by prospective fully-qualified insured parties through the internet from remote computers **92**
25 and internet access devices **94** well known in the art.

Referring to Fig. 5, a third embodiment of the invention provides additional life insurance to a fully-qualified insured party through a multi-user global communication and information network, a.k.a. the internet, a network of a multiple of insurance brokers, agents and service providers **115**; at least one database module **200** for compiling and
30 storing information regarding underwriting approval **150** as well as other information provided upon issuance of a primary life insurance **140** to the insured party **130**, and a multiple of electronic channels or web sites **210** providing internet access to and communication between the database module **200**, the multiple of insurance brokers, agents and service providers **115**, and prospective insured parties **130**.

5 Insurance brokers, agents and service providers **115** would qualify as members or affiliates of the on-line additional insurance network **110** by agreeing to share information regarding underwriting approval **150** acquired during procurement of primary life insurance **140** to insured parties **130**. Underwriting approval information **150** may include such primary life insurance information primary underwriter, plan type, benefit amount available, premium amount, etc., as well as any risk assessment and insurability information provided to member brokers, agents and service providers **115** by insured parties **130** to acquire primary life insurance **140**. Consent of insured parties **130** would be required to allow underwriting approval information **150** to be disclosed by member brokers, agents and service providers **115**. Underwriting approval information **150** is compiled and stored in the electronically-accessible database module **200**, which may be owned and/or managed by members **115** of the additional life insurance network **110**.

Insured parties **130** to whom primary life insurance **140** has been issued may contact member brokers, agents and service providers **115** directly or indirectly by accessing the database module **200** through communication facilitated by the Internet to inquire about and to qualify for secondary life insurance **145**. As shown in Fig. 5, an insured party **130** contacts a member **115** through, for example, the member's web site **210** or the additional insurance network **110** web site **210** to access the database module **200**. Information the insured party **130** is required to provide would include identifying data, which would be matched with the underwriting approval information **150** stored in the database module **200** to initially identify and confirm the identity of the insured party **130** and to authorize access to the underwriting approval information **150**. Upon confirmation of the identity of the insured party **130**, authorization is given to the additional insurance network **110** to access the primary life insurance plan **140** information stored with underwriting approval information **150** to obtain information to formulate an offer to the insured party **130** for a secondary life insurance plan **145** based upon the primary life insurance plan **140** presently held by the insured party **130**.

For example, the web site **210** of the additional insurance network **110** may require the insured party **130** to provide as little information as the policy number of their primary life insurance plan **140** to access the database module **200**. The policy number

5 provided by the insured party **130** would be compared to the policy number of the
primary life insurance plan **140** stored with the underwriting approval information **150** in
the database module **200**. Matching the policy number provided by the insured party **130**
with the policy number stored in the database module **200** confirms the identity of the
insured party **130** and authorizes the additional insurance network **110** to access the
10 primary life insurance plan **140** information stored in the database module **200** to
formulate an offer for a secondary life insurance plan **145** to the insured party **130**. Since
the insured party **130** has been previously qualified and fully-underwritten by the primary
insurer **120a** issuing the primary life insurance plan **140**, the additional insurance network
110 may use the underwriting approval information **150** provided to members **115** and
15 stored in the database module **200** to tailor the offer for the secondary life insurance plan
145 in accordance with the eligibility of the insured party **130** and the needs of the
insured party **130** as identified by the insured party **130** during web site communication.
More than one offer for secondary life insurance **145** may be made directly to the insured
party **130** through web site communication, offering a variety of benefit amounts, terms,
20 premiums, etc., depending upon the insured party's eligibility.

In addition, an anti-risk procedure **155** may be employed by the additional
insurance network **110**, as described above, and conducted through web site
communication with the insured party **130**. For example, the insured party **130** may be
required to accept an on-line offer for the secondary life insurance plan **145** within a
25 relatively short time after the primary life insurance plan **140** is issued in order for the
additional insurance network **110** to avoid potential changes in risk. The insured party
130 may have the option during web site communication to either accept, deny, or place
on hold for a specified period of time, the offer for the secondary life insurance plan **14**,
depending upon a mode by which the insured party **130** either continues or completes
30 their web site inquiry with the member **115** or the database module **200**. The secondary
life insurance **145** plan can be placed in effect easily and quickly through web site
communication between the insured party **130** and the additional insurance network **110**
facilitated by the internet upon the confirmation of the primary life insurance **140**
information and the formulation and acceptance of the offer by the insured party **130**.

5 A fourth embodiment of the invention includes a method for providing additional
life insurance to a fully-qualified insured party to increase a total benefit of life insurance
to the insured party, the method comprising identifying a primary insurer; evaluating the
underwriting and medical evaluation standards, guidelines and methods employed by the
primary insurer to assess the eligibility of the insured party for a primary life insurance
10 plan; accepting the primary insurer based upon approval of the underwriting and medical
evaluation standards, guidelines and methods employed by the primary insurer; obtaining
underwriting information from the insured party required by the primary insurer to
evaluate the eligibility of the insured party for the primary life insurance place, and to
approve and issue the primary life insurance plan to the insured party; providing the
15 underwriting information to the primary insurer; receiving an underwriting approval of
the insured party for the primary life insurance plan from the primary insurer; issuing the
primary life insurance plan to the insured party; formulating an offer to the insured party
for a secondary life insurance plan, wherein the prior underwriting approval as well as a
benefit amount and type of the primary life insurance plan form a basis, in part, of the
20 offer to the insured party; prior to offering the secondary life insurance plan to the
insured party, assessing any additional risk presented by the insured party above a risk for
which the primary life insurance plan was issued; and requiring the insured party comply
with a risk reduction procedure as a contingency of the secondary life insurance plan.
One or more risk reduction procedures may be employed, such as, although not limited
25 to, requiring the insured party to pay a premium amount within a specified period of time,
requiring the insured party to respond to one or more anti-selection questions, requiring at
a statement or certification from the insured party that the insured party is in good health,
and limiting acceptance of the offer to a specified period of time in order to reduce
potential additional risk. The method finally comprises offering the secondary life
30 insurance plan to the insured party and issuing the secondary life insurance play to the
insured party upon acceptance of the insured party to increase the total benefit of life
insurance of the insured party.

Having thus described at least one illustrative embodiment of the invention,
various alterations, modifications and improvements will readily occur to those skilled in
35 the art. Such alterations, modifications and improvements are intended to be within the

- 5 scope and spirit of the invention. Accordingly, the foregoing description is by way of example only and is not intended as limiting. The invention's limit is defined only in the following claims and the equivalents thereto.

What is claimed is: